

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

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CC Docket No. 97-181

Defining Primary Lines

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OPPOSITION TO PETITION FOR RECONSIDERATION

Ameritech¹ submits this opposition to the petition for reconsideration filed by the People of the State of California and the California Public Utility Commission ("California") with respect to the Commission's report and order in the above-captioned docket.² California challenges the Commission's adoption of a location-based definition of primary residential line for the purposes of the assessment of the appropriate subscriber line charge ("SLC") and primary interexchange carrier charge ("PICC"). California argues that the Commission's decision is unreasonable, that it "unduly penalizes (certain) multi-family households," and that it is "without factual basis and contrary to the federal universal service goals."³ In support of its petition, California introduces no new evidence that was not previously presented to the Commission. Also, the petition is otherwise without merit. Therefore, the petition should be denied.

California first argues that the Commission's decision "was not based on reasoned

¹ Ameritech means: Ameritech Illinois, Ameritech Indiana, Ameritech Michigan, Ameritech Ohio, and Ameritech Wisconsin.

² *In the Matter of Defining Primary Lines*, CC Docket No. 97-181, Report and Order, FCC 99-29 (rel. March 10, 1999) ("Order").

³ California Petition at 1.

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decision making.” In particular, California challenges the Commission’s rejection of a subscriber account-based definition for residential primary lines. It argues that, contrary to the Commission’s concern, there is no basis on the record for the Commission to conclude that consumer fraud or gaming will result under an account-based definition.⁴ California also attempts to dismiss the Commission’s concern that an account-based definition would enable subscribers to obtain multiple primary lines at the same location pointing to Bell Atlantic procedure that scans subscriber accounts for multiple lines at the same location under the same name.⁵

These objections, however, miss the mark. Ordering multiple lines at the same location under the same name in different accounts is certainly a potential problem. Ameritech would note, however, that the “fix” for that problem adopted by Bell Atlantic would be extremely burdensome for Ameritech to implement. Several new manual and mechanized steps would need to be added to the service order process in order to make the appropriate checks. In particular, the interface between the Loop Facility Assignment Control System (“LFACS”) and the Ameritech Customer Information System (“ACIS”) – where customer billing information is stored – would have to be substantially modified to enable the identification of different accounts at the same location under the same name.

Nonetheless, the potential of multiple accounts at the same location under the same name is not the major fraud or inequity problem. As the Commission noted:

⁴ *Id.* at 5.

⁵ *Id.* at 6-7.

An account-based definition, for example, would permit a subscriber to have multiple primary lines by ordering each line under a different account name. (Emphasis added.)⁶

An account-based definition would not only permit spouses and children at a single residence location to have their own primary lines, it would also permit individuals to have multiple primary lines simply by ordering them in different names -- e.g., Elizabeth Smith and Beth Smith. California makes no effort to address these potential problems.

Moreover, in the these days of multiple-line households, it is likely that the “harm” (unjustified subsidy) that would result from an account-based definition that permitted multiple members of a household to each have a primary line would be greater than any benefit that would be realized by permitting multiple households sharing a single residence to each have a primary line.

As the Commission noted:

[U]niversal service objectives are met so long as residents at a single location have access to one line at that location at the subsidized primary-line rates; allowing more than one such line per location excessively shifts costs onto other subscribers.⁷

Further, however, California alleges that the Commission’s location-based definition was based on “fundamentally flawed reasoning.” Specifically, California claims that the Commission’s conclusion that the definition is “compatible with existing service records” is not based on any record evidence.⁸ Ameritech would note, however, that, in its case, that conclusion is correct. Ameritech’s systems are such that a check of the service location to see whether facilities are

⁶ Order at ¶14.

⁷ Order at ¶22.

⁸ Petition at 8-9.

available (which information is used in determining installation intervals) is part of the service order process. If there is already a working telephone line at the particular location, the service representative receives an “error” message on the screen and then marks the new line as an “additional” line which has non-primary status.

California also criticizes the Commission’s conclusion that:

[G]enerally... only a single residential connection is necessary to permit all residents at a particular service location complete access to telecommunications and information services, including access to emergency services.⁹

In particular, it finds fault with the Commission’s citation to the Joint Board’s Recommended Decision for support. California points out that the Joint Board’s Recommendation was for each “household” to have such access.¹⁰ However, the Commission adequately explained its decision to reject a “household” based definition. The Commission specifically noted:

Such a definition would also, however, require gathering invasive information concerning living arrangements through a self-certification mechanism that would be administratively burdensome given the large universe of customers. The ambiguity of a household-based definition may also result in inconsistent application across subscribers, or encourage subscribers simply to declare themselves part of different households to receive the lower primary-line rates.¹¹

In summary, the Commission reasonably explained its assessment that the potential costs associated with account- or household-based definitions exceed their potential benefit and that the benefits of the location-based definition exceed its potential costs.¹²

⁹ *Id.* at 9.

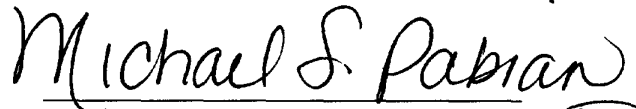
¹⁰ *Id.* at 10-11.

¹¹ Order at ¶21.

¹² *Id.* at ¶14.

In light of the foregoing, California's petition should be denied.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I, Grace Germain, do hereby certify that a copy of the opposition to petition for reconsideration has been served on the party listed on the attached service list, via first class mail, postage prepaid, on this 23rd day of June, 1999.

By: Grace Germain
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